

① William Geddy

2. BUILDING APPRAISAL MAY 2 1997 (ENCLOSED)

3. PREVIOUS OWNER (DICK & SUE DYAR)

4. —

STILL RESIDENT IN SPENCER
BUT NO CONTACT #

5. NO KNOWLEDGE

966939

6. NO KNOWLEDGE

7 NO

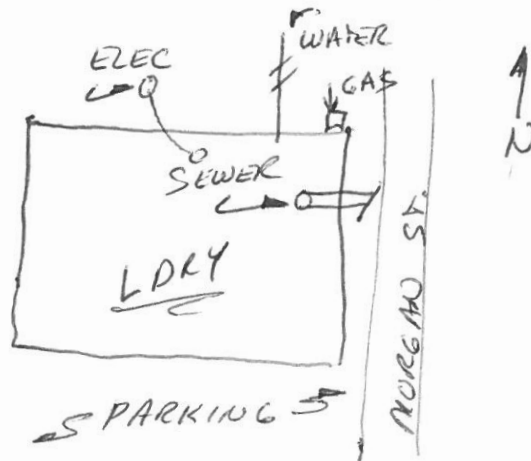
8 NO

9 NONE

10. PURCHASED 1997. (ENCLOSED PROMISSORY NOTE)

11. (A) INCLUDED IN APPRAISAL

(B)



C. NONE

D. NONE

E. NONE

F. NONE

G. NONE, JUST WHAT IS INCLUDED IN APPRAISAL.

12 - NONE TO MY KNOWLEDGE

13 - DICK & SUE DYAR - SPENCER RESIDENT

14 - NONE TO MY KNOWLEDGE

15 - NONE

16 - NONE

17. NONE

18. NONE

19. NO PLANS

20. NONE TO MY KNOWLEDGE

21 NO

22 NO

23 NONE TO MY KNOWLEDGE

24 NONE

THE PEOPLES STATE BANK
601 EAST TEMPERANCE ST.
ELLETTSVILLE, IN 47429
(812) 876-2228 "LENDER"

BORROWER	
WILLIAM MICHAEL GEDIG TERESA M. GEDIG	
ADDRESS	
5085 W WHITELAND RD GREENWOOD, IN 46143	
TELEPHONE NO.	IDENTIFICATION NO.
(812) 422-9751	

COMMERCIAL VARIABLE RATE PROMISSORY NOTE

OFFICER INITIALS	INTEREST RATE	PRINCIPAL AMOUNT	FUNDING DATE	MATURITY DATE	CUSTOMER NUMBER	LOAN NUMBER
LAS	VARIABLE	\$187,500.00	07/29/97	08/15/17	242178	1217810741
PURCHASE 401 W MORGAN ST (LAUNDROMAT)						

PROMISE TO PAY: For value received, Borrower promises to pay to the order of Lender the principal amount of One Hundred Eighty Seven Thousand Five Hundred and no/100 Dollars (\$ 187,500.00) plus interest on the unpaid principal balance at the rate and in the manner described below and those other charges permitted by applicable law and authorized by the terms of this Note, all without relief from valuation and appraisal laws until all amounts owing under this Note are paid in full. All amounts received by Lender shall be applied first to late charges, then to expenses, then to accrued, unpaid interest, then to unpaid principal, or in any other order as determined by Lender, in Lender's sole discretion, as permitted by law.

INTEREST RATE: This Note has a variable interest rate feature. The interest rate on this Note may change from time to time if the Index Rate identified below changes. Interest shall be computed on the basis of the actual number of days over 365 days per year. Interest on this Note shall be calculated and payable at a variable rate equal to 4.000 % per annum over the Index Rate. The initial Index Rate is 5.56 % per annum. The initial interest rate on this Note shall be 10.000 % per annum. Any change in the interest rate resulting from a change in the Index Rate will be effective on:

AN ANNUAL BASIS *Rate adjustment*

INDEX RATE: The Index Rate for this Note shall be:

THE WEEKLY AVERAGE YIELD ON UNITED STATES TREASURY SECURITIES ADJUSTED TO A CONSTANT MATURITY OF ONE YEAR, PLUS A MARGIN OF 4.00% ROUNDED UP TO THE NEAREST .125 OF 1.00%, LOCATED IN THE FEDERAL RESERVE STATISTICAL RELEASE.

If the Index Rate is redefined or becomes unavailable, then Lender may select another index which is substantially similar.

MINIMUM RATE/MAXIMUM RATE: Subject to applicable law, the minimum interest rate on this Note shall be 9.000 % per annum. The maximum interest rate on this Note shall not exceed 16.000 % per annum, or if less, or if a maximum rate is not indicated, the maximum interest rate Lender is permitted to charge by law.

RATE ADJUSTMENT LIMITATIONS: The maximum rate increase at any one time will be n/a %. The maximum rate decrease at any one time will be n/a %.

DEFAULT RATE: In the event of any default under this Note, the Lender may, in its discretion, increase the interest rate on this Note to: _____ or the maximum interest rate Lender is permitted to charge by law, whichever is less.

PAYMENT SCHEDULE: Borrower shall pay the principal and interest according to the following schedule:

On demand, but if no demand is made, then:
239 payments of \$1,818.53 beginning September 15, 1997 and continuing at monthly time intervals thereafter. A final payment of the unpaid principal balance plus accrued interest is due and payable on August 15, 2017.

PREPAYMENT: This Note may be prepaid in part or in full on or before its maturity date. All prepayments will be credited as determined by Lender and as permitted by law. If this Note is prepaid in full, there will be: ☐ No minimum finance charge or prepayment penalty. ☒ A minimum finance charge of \$ 30.00. ☐ A prepayment penalty of:

LATE CHARGE: If a payment is received more than 10 days late, Borrower will be charged a late charge of: ☐ _____ % of the unpaid payment; ☒ \$ 50.00 or 5.00 % of the unpaid payment, whichever is ☐ greater ☒ less.

SECURITY: To secure the payment and performance of obligations incurred under this Note, Borrower grants Lender a security interest in all of Borrower's right, title, and interest in all monies, instruments, savings, checking and other accounts of Borrower (excluding IRA, Keogh and trust accounts and other accounts subject to tax penalties if so assigned) that are now or in the future in Lender's custody or control. ☒ If checked, the obligations under this Note are also secured by a lien on and/or security interest in the property described in the security instruments executed in connection with this Note as well as any other property designated as security for this Note now or in the future.

REAL ESTATE MORTGAGE DATED 07-29-1997.
(401 W MORGAN ST, SPENCER IN 47460)

RENEWAL: ☐ If checked, this Note is a renewal, but not a satisfaction, of Loan Number _____.

THE PERSONS SIGNING BELOW ACKNOWLEDGE THAT THEY HAVE READ, UNDERSTAND, AND AGREE TO THE TERMS AND CONDITIONS OF THIS NOTE, INCLUDING THE PROVISIONS ON THE RESERVE SIDE, AND FURTHER ACKNOWLEDGE RECEIPT OF AN EXACT COPY OF THIS NOTE.

Dated: July 29, 1997

BORROWER: WILLIAM MICHAEL GEDIG

BORROWER: TERESA M. GEDIG

MORTGAGE

BORROWER		MORTGAGOR	
WILLIAM MICHAEL GEDIG TERESA M. GEDIG		WILLIAM MICHAEL GEDIG AND TERESA M. GEDIG, HUSBAND AND WIFE	
ADDRESS		ADDRESS	
5085 W WHITELAND RD GREENWOOD, IN 46143		5085 W WHITELAND RD GREENWOOD, IN 46143	
TELEPHONE NO.	IDENTIFICATION NO.	TELEPHONE NO.	IDENTIFICATION NO.
(812) 422-9751		(812) 422-9751	

In consideration of the loan or other credit accommodation hereinafter specified and any future advances or future Obligations, as defined herein, which may hereinafter be advanced or incurred and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor hereby mortgages, warrants, assigns and grants to **THE PEOPLES STATE BANK, 601 EAST TEMPERANCE ST., ELLETTSVILLE, IN 47429**

("Lender"), its successors and assigns, all of Mortgagor's present and future estate, right, title and interest in and to the real property described in Schedule A which is attached to this Mortgage and incorporated herein by this reference, together with all present and future improvements and fixtures; all tangible personal property including without limitation all machinery, equipment, building materials, and goods of every nature (excluding consumer goods) now or hereafter located on or used in connection with the real property, whether or not affixed to the land; privileges, hereditaments, and appurtenances, including all development rights associated with the Property, whether previously or subsequently transferred to the Property from other real property or now or hereafter susceptible to transfer from the Property to other real property; leases, licenses and other agreements; rents, issues and profits; water, well, ditch, reservoir and mineral rights and stocks pertaining to the real property (cumulatively "Property"); until payment in full of all Obligations secured hereby.

Moreover, in further consideration, Mortgagor does, for Mortgagor and Mortgagor's heirs, representatives and assigns, hereby expressly warrant, covenant, and agree with Lender its successors and assigns as follows:

1. **OBLIGATIONS.** This Mortgage shall secure the payment and performance of all present and future indebtedness, liabilities, obligations and covenants of Borrower or Mortgagor (cumulatively "Obligations") to Lender pursuant to:

(a) this Mortgage and the following promissory notes and other agreements:

INTEREST RATE	PRINCIPAL AMOUNT/ CREDIT LIMIT	FUNDING/ AGREEMENT DATE	MATURITY DATE	CUSTOMER NUMBER	LOAN NUMBER
VARIABLE	\$187,500.00	07/29/97	08/15/17	242178	1217810741

(b) all other present or future, written agreements with Lender which refer specifically to this Mortgage (whether executed for the same or different purposes than the foregoing);

(c) any guaranty of obligations of other parties given to Lender now or hereafter executed which refers to this Mortgage;

(d) future advances, whether obligatory or optional, to the same extent as if made contemporaneously with the execution of this Mortgage, made or extended on behalf of Mortgagor or Borrower. Mortgagor agrees that if one of the Obligations is a line of credit, the lien created by this Mortgage shall continue until payment in full of all debt due under the line notwithstanding the fact that from time to time (but before termination of the line) no balance may be outstanding. At no time shall the lien of this Mortgage, not including sums advanced to protect the security of this Mortgage, exceed \$ 700,000.00; exclusive of interest thereon and exclusive of unpaid balance of advances made with respect to the Property for the payment of taxes, assessments, insurance premiums, costs incurred for the protection of the Property and all other costs which Lender is authorized by this Mortgage to pay on Mortgagor's behalf and exclusive of attorney's fees incurred by Lender in connection with any collection or enforcement action hereunder. It is the express intention of Mortgagor and Lender that this Mortgage be an open-ended mortgage subject to IC 32-8-11-9. Mortgagor stipulates and agrees with Lender that as of the date of this Mortgage, Lender has made no written or oral commitment to Mortgagor to make any future loans or advances under this paragraph and any such future lending shall be at Lender's sole discretion; and

(e) all amendments, extensions, renewals, modifications, replacements or substitutions to any of the foregoing. Mortgagor shall pay and perform all of the Obligations when due and in accordance with the terms of any instrument, document, note, guaranty or agreement creating the Obligations.

If Mortgagor is the Borrower, Mortgagor shall pay any promissory notes or agreements evidencing the Obligations in accordance with the terms and conditions and will perform and comply with all of the terms and provisions thereof.

As used in this Paragraph 1, the terms Mortgagor and Borrower shall include and also mean any Mortgagor or Borrower if more than one.

2. **CONSTRUCTION PURPOSES.** If checked, ☐ this Mortgage secures an indebtedness for construction purposes. If checked, ☐ this Mortgage secures an indebtedness for home construction purposes.

3. **REPRESENTATIONS, WARRANTIES AND COVENANTS.** Mortgagor represents, warrants and covenants to Lender that:

(a) Mortgagor has fee simple marketable title to the Property and has full power to mortgage it. Mortgagor shall maintain the Property free of all liens, security interests, encumbrances and claims except for this Mortgage and those described in Schedule B which is attached to this Mortgage and incorporated herein by reference, which Mortgagor agrees to pay and perform in a timely manner. Mortgagor will warrant and defend title to the Property against all lawful claims and demands and will make any further assurances of title that Lender may require;

(b) Mortgagor is in compliance in all respects with all applicable federal, state and local laws and regulations, including, without limitation, those relating to "Hazardous Materials", as defined herein, and other environmental matters (the "Environmental Laws"), and neither the federal government or any other governmental or quasi governmental entity has filed a lien on the Property, nor are there any governmental, judicial or administrative actions with respect to environmental matters pending, or to the best of the Mortgagor's knowledge, threatened, which involve the Property. Neither Mortgagor nor, to the best of Mortgagor's knowledge, any other party has used, generated, released, discharged, stored, or disposed of any Hazardous Materials, in connection with the Property or transported any Hazardous Materials to or from the Property. Mortgagor shall not commit or permit such actions to be taken in the future. The term "Hazardous Materials" shall mean any substance, material, or waste which is or becomes regulated by any governmental authority including, but not limited to, (i) petroleum; (ii) friable or nonfriable asbestos; (iii) polychlorinated biphenyls; (iv) those substances, materials or wastes designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act or listed pursuant to Section 307 of the Clean Water Act or any amendments or replacements to these statutes; (v) those substances, materials or wastes defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act or any amendments or replacements to that statute; and (vi) those substances, materials or wastes defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, or any amendments or replacements to that statute or any other similar state or federal statute, rule, regulation or ordinance now or hereafter in effect. Mortgagor shall not lease or permit the sublease of the Property to a tenant or subtenant whose operations may result in contamination of the Property with Hazardous Materials or toxic substances.

Restricted Appraisal Report

Coin Laundry

GILBERT S. MORDOH & CO., INC.

Real Estate Appraisers, Analysts & Consultants

328 S. Walnut Street, Suite #1

Post Office Box 159

Bloomington, Indiana 47402

Office

812-332-0005

Fax

812-332-0018

May 2, 1997

Peoples State Bank

Mr. Lon Stevens

200 E. Kirkwood Avenue

Bloomington, Indiana 47408

RE: Estimate market value of the property located at 401 West Morgan Street, Spencer, Owen County, Indiana (Appraisal File #15706) **Legal Description:** GIBSONS PT 9 PT 10, GIBSONS E SIDE 9, **Borrower:** GEDIG, Michael

Dear Mr. Stevens:

In accordance with your request, I have made an inspection of the above referenced property for the purpose of estimating the fair market value. It is the appraiser's opinion that the estimated fair market value (in "as is" condition) as of the effective date of this report which is the date of the inspection, April 25, 1997, is:

TWO HUNDRED FIFTY THOUSAND DOLLARS
(\$250,000)

It should be clearly understood that this document constitutes a restricted appraisal report, which has been prepared in compliance with Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report.

Sincerely,



Gilbert S. Mordoh, SRA

Indiana Certified General Appraiser

#CG69200779, Expires 12/31/97

COPY

**RESTRICTED APPRAISAL OF: *Coin Laundry, 401 West Morgan Street
in Spencer, Owen County, Indiana***

PURPOSE OF APPRAISAL:

To estimate market value as defined by the
Office of the Controller of the Currency
under 12 CFR, Part 34, Subpart C.

PREPARED FOR:

Peoples State Bank
Mr. Lon Stevens
200 East Kirkwood Avenue
Bloomington, Indiana 47408

BORROWER:

GEDIG, Michael

PREPARED BY:

GILBERT S. MORDOH & CO., INC.

Gilbert S. Mordoh, SRA
Indiana Certified General Appraiser
#CG69200779, Exp. 12/31/97

BRIEF DESCRIPTION OF SITE AND IMPROVEMENTS: At this time, the subject property is being utilized as a coin operated laundromat. This property has a street address of 401 West Morgan Street in Spencer, Owen County, Indiana. The subject site consists of a 83' x 143.75' lot and is legally described as GIBSONS PT 9 PT 10 AND GIBSONS E SIDE 9, per the county records. At this time, the City of Spencer does not have a master zoning plan. On-site parking is available and there appears to be an adequate number of spaces. This site is improved with a single story structure containing 4,368 square feet and is described as follows: concrete block structure with some brick on the front; slab foundation; gable-type shingled roof as well as a flat rubber roof on one section; fixed aluminum window units. The interior layout is considered typical for the current use, i.e., large open area with free-standing washing machines, wall dryers and dry-cleaning (AREA), one restroom, office area, maintenance/storage area. The subject does have two tanning booths, and a garage storage area. Finishings include vinyl flooring, drop ceilings, drywall walls and fluorescent lighting. Heating and cooling via a gas forced air furnace with central air conditioning. Electrical service and water heating appear to be adequate for the current use. In general, this property is average condition with an effective age of 10 and a remaining economic life of 30 years.

INTENDED USE OF THIS REPORT: For the sole purpose of assisting the appraiser's client, Peoples State Bank, in determining a market value estimate for mortgage lending purposes. The effective date of this analysis is as of the date of the inspection, April 25, 1997. Information contained in this report has been obtained from various sources (property inspection, borrower, County records, etc...) and is assumed to be accurate and is relied upon for the purposes of this restricted report.

INTEREST VALUED: Fee Simple

EFFECTIVE DATE OF VALUE: April 25, 1997

DATE OF THIS REPORT: May 2, 1997

NOTE 1 THE TERM AREA
IS MADE IN REFERENCE
TO A PICK UP & DROP OFF
SERVICE THAT WAS PROVIDED
BY COURTESY CLEANERS OUT
OF BLOOMINGTON DURING
LATE 90's.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS: In preparing this appraisal, the appraiser inspected the subject site and the existing structure; gathered information from the subject's neighborhood or similar competitive neighborhoods in the Spencer and surrounding areas on comparable land and improved sales, rents, operating expenses, construction costs, accrued depreciation, capitalization and yield rates; confirmed all comparable sale information with at least one party to the transaction; and analyzed the information gathered in applying the cost, sales comparison and income capitalization approaches. All three approaches were applicable in this case. To develop the opinion of value, the appraiser performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice. This means that no departures from Standard 1 were invoked. This Restricted Appraisal Report sets forth only the appraiser's conclusions with supporting documentation retained in the appraiser's file.

REAL ESTATE APPRAISED: This property contains a detached single story structure, which is being utilized as a coin laundromat, located at 401 West Morgan Street, Spencer, Owen County, Indiana. **The value approximated herein considers the real estate only, and does not include the laundry equipment or income from the business.**

HIGHEST AND BEST USE:

Highest and best use as though vacant -- commercial use, such as retail or professional office space.

Highest and best use as improved -- commercial use, retail or professional office space, not the existing use.

COST APPROACH: \$217,000, determined as follows:

GROSS USABLE AREA

SINGLE STORY BUILDING	4,368	SQ.FT. @ \$39.53 /SQ.FT.	=	\$172,667
REPLACEMENT COST NEW			=	\$172,667
DEPRECIATION				
PHYSICAL (10 / 40) * =	25.00%		=	(\$43,167)
* 10 YEARS EFFECTIVE AGE,				
40 YEARS ECONOMIC LIFE				
EXTERNAL			=	(\$0)
FUNCTIONAL			=	(\$0)
DEPRECIATED VALUE OF IMPROVEMENTS			=	\$129,500
DEPRECIATED VALUE OF SITE IMPROVEMENTS			=	\$10,000
SITE VALUE (11,931 SF @ \$6.50/SF = \$77,555, ROUNDED TO \$77,500)			=	\$77,500
TOTAL INDICATED VALUE VIA COST APPROACH			=	\$217,000

Z:\123VER5\15706CSTWK4

SALES COMPARISON APPROACH: \$260,000 (as is), determined as follows:

4,368 square feet @ \$60.00 per sq.ft.	=	\$262,080
Rounded to	=	\$260,000

INCOME CAPITALIZATION APPROACH: \$235,000, determined as follows:**OPERATING INCOME STATEMENT (MARKET RATES)****Potential Gross Income (P.G.I.) — Triple Net Lease**

Coin Laundry	4,368 sq.ft. X	\$7.50 /SF annually	=	<u>\$32,760</u>
TOTAL P.G.I.			=	\$32,760
Vacancy & Collection Losses	5%	of P.G.I.	=	<u>(\$1,638)</u>
TOTAL E.G.I.			=	\$31,122

Less Fixed Expenses:

Taxes	{96/97, Actual}	=	(\$1,417)
Insurance	{Actual as provided}	=	<u>(\$1,817)</u>
Total Fixed Expenses:		=	(\$3,234)

Less Operating Expenses:

Management	3.00%	of E.G.I.	=	(\$934)
*Replacement Items			=	(\$2,050)
Miscellaneous/Repairs			=	(\$250)
Utilities	{Lessee}		=	<u>(\$0)</u>
Total Operating Expenses:			=	(\$3,234)

Total Expenses:	20.78%	of E.G.I.	=	<u>(\$6,468)</u>
-----------------	--------	-----------	---	------------------

NET OPERATING INCOME = \$24,654

The preceding net income figure will not take the form of an annuity, yet income has been stabilized to create a level pattern for application of an appropriate capitalization rate. After estimating the stabilized income, the final step in estimating value through the income approach is deriving an indicated overall capitalization rate to be applied to the above net operating income \$24,654.

	Cost New	Economic Life	Cost per year
1) Roof	\$7,500	25 year life	= \$300
2) Electrical/Plumbing	\$5,000	20 year life	= \$250
3) HVAC	\$10,000	20 year life	= \$500
4) Floorcoverings	\$5,000	10 year life	= \$500
5) Site Improve./Paving	\$10,000	20 year life	= <u>\$500</u>
			\$2,050

CAPITALIZATION OF INCOME STREAM

Using various assumptions, an overall capitalization rate of 10.60% is indicated for the subject property.

***BAND OF INVESTMENT CAPITALIZATION RATE**

Mortgage Loan %	X	Mortgage Constant %		
75.00%	X	10.80%	=	8.10%
Investment %	X	Yield %		
25.00%	X	10.00%	=	2.50%
Capitalization Rate =				10.60%

*The above capitalization rate 10.60% was determined as follows:

- 1) Typical Mortgage Loan Percentage is the debt portion of the estimated market value.
- 2) The Mortgage Constant is based on the current interest rate and the life of the loan (based on a 20 year loan amortization, 9% interest).
- 3) The Investment Percentage is the percentage of equity invested.
- 4) The Yield Percentage is the typical cash-on-cash yield.

$$\begin{array}{rcl} \$24,654 & / & 10.60\% = \$232,588 \\ & \text{rounded to} & \$235,000 \end{array}$$

INDICATED VALUE VIA THE INCOME APPROACH = \$235,000

Z:\123VER5\15706INCWK4

CONCLUDED VALUE: \$250,000, as is. This value considers the real estate only (does not include the laundry equipment or business income).

INDICATED EXPOSURE TIME: 9-12 months

ESTIMATED MARKETING TIME: 9-12 months

ADDITIONAL COMMENTS: According to County Records, the current owner of the property is the Richard and Diana Dyar. To the best of the appraiser's knowledge, the subject property has not sold within the last 36 months. This property is under a contract of sale for \$250,000 with Michael Gedig, thus considered. Sale price was provided verbally by Mr. Lon Stevens. A formal written offer was not provided to this office, therefore, not included with this report.

FLOOD MAP AND CENSUS TRACT INFORMATION: The subject property is located in section 9558 map reference 1990 Owen County, Indiana. According to the latest Federal Flood Maps available (#180191-0001-C, effective date as of January 1, 1982), the improvements do not appear to be located in a flood zone area, however, final determination concerning the flood zone area should be made via a complete survey by a qualified surveyor.

ASSUMPTIONS AND LIMITING CONDITIONS

1. This is a Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it does not include discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use state in this report. The appraiser(s) is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, & local environmental regulations and laws unless stated in this appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national government, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is express or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12. It is assumed that the utilization of land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in this report.

13. The appraiser(s) is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise state in this report. No responsibility is assumed for any environmental condition or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the American with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability or utility.

15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

16. The distribution, if any, of the total valuation of this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.

18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, new sales or other media without the prior written consent and approval of the appraiser.

CERTIFICATION OF VALUE

I certify that to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and have no personal interest or bias with respect to the parties involved.

My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. This appraisal was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I have made a personal inspection the property that is the subject of this report.

No one provided significant professional assistance to the person(s) signing this report unless indicated here.

The reported analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

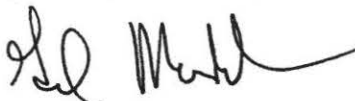
The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I, Gilbert S. Mordoh, have completed the requirements under the continuing education program of the Appraisal Institute.

After consideration of all the known factors pertaining to value, it is the appraiser's opinion that the market value of the subject property ("**as is**") in fee simple interest, as of April 25, 1997, is:

TWO HUNDRED FIFTY THOUSAND DOLLARS
(\$250,000)

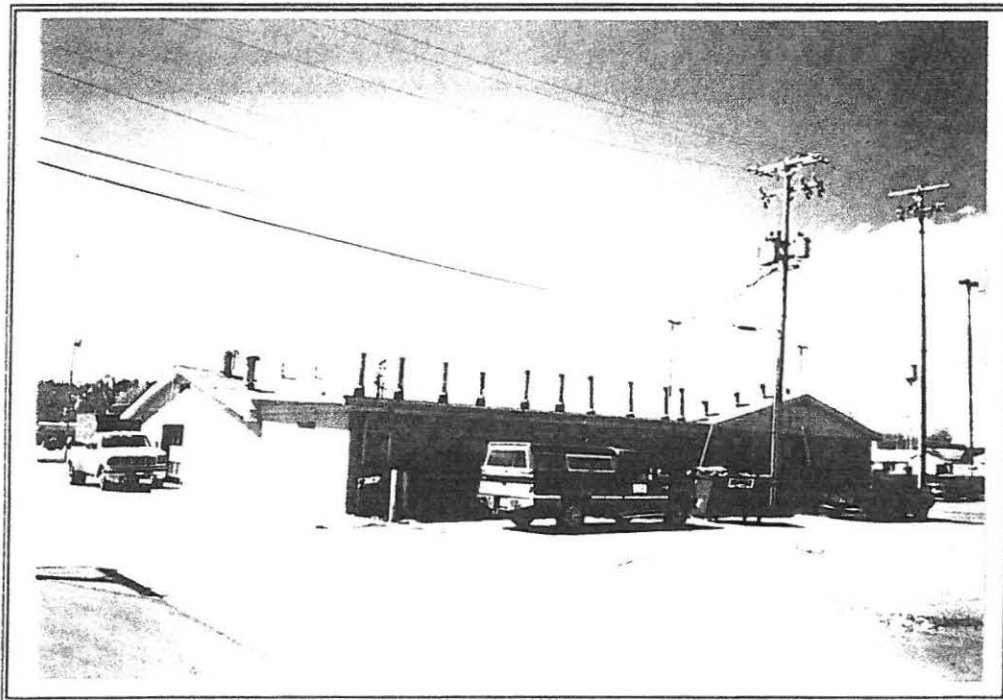
Respectfully submitted,



Gilbert S. Mordoh, SRA
Indiana Certified General Appraiser
#CG69200779, Exp. 12/31/97

**SUBJECT PHOTOGRAPHS – COIN LAUNDRY
401 W. MORGAN STREET, SPENCER, INDIANA**

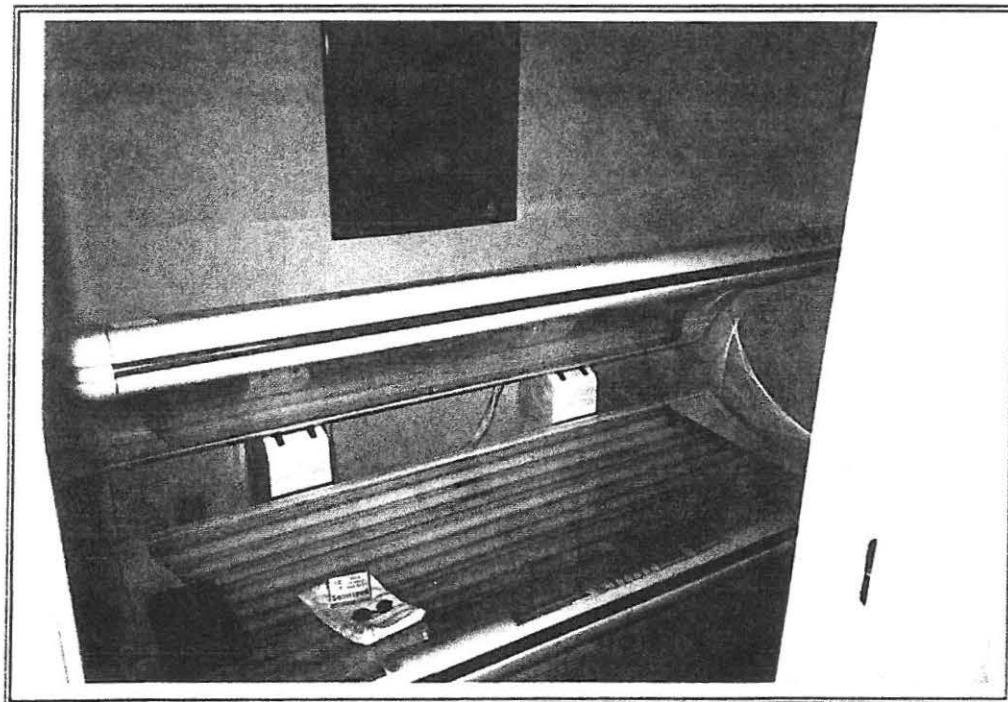
{PHOTOGRAPHS TAKEN BY GILBERT S. MORDOH, SRA ON APRIL 25, 1997}



GILBERT S. MORDOH & CO., INC.
REAL ESTATE APPRAISERS, ANALYSTS & CONSULTANTS
328 S. WALNUT STREET, SUITE #1, P.O. BOX 159
BLOOMINGTON, INDIANA 47402-0159
812-332-0005 / FAX 812-332-0018

**SUBJECT PHOTOGRAPHS -- COIN LAUNDRY
401 W. MORGAN STREET, SPENCER, INDIANA**

{PHOTOGRAPHS TAKEN BY GILBERT S. MORDOH, SRA ON APRIL 25, 1997}



GILBERT S. MORDOH & CO., INC.
REAL ESTATE APPRAISERS, ANALYSTS & CONSULTANTS
328 S. WALNUT STREET, SUITE #1, P.O. BOX 159
BLOOMINGTON, INDIANA 47402-0159
812-332-0005 / FAX 812-332-0018

SPENCER

The map shows a street grid in Spencer, Indiana. A 'SUBJECT' label with an arrow points to a location on West St, between Main St and Madison St. The White River flows along the eastern side of the town. Major streets include Hillside Ave, Indiana Ave, Main St, and West St. Railroad lines, including ConRail RR and West GTR, are shown running through the area. Highway shields for IN 46, IN 67, and 231 are visible. A north arrow is located in the upper right corner of the map area.

